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Office of Logistics
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OLC 79-0571/1
22 February 1979

MEMORANDUM FOR: See Distribution

STAT FROM : [redacted]
Chief, Legislation Division/OLC

SUBJECT : "Omnibus Intelligence Community Reorganization
and Reform Act of 1979"

1. Representative Melvin Price, Chairman of the House Committee on Armed Services, has asked for the views of the Central Intelligence Agency on H.R. 261, a bill recently introduced by Representative Ronald V. Dellums (D., Calif.).

2. Subject legislation represents an effort to surface alternative charter legislation for the Intelligence Community; in this case the effort reflects quite closely Mr. Dellums' own views with regard to intelligence. Mr. Dellums has been an outspoken critic of the Agency; he has introduced numerous bills treating Agency equities, including proposals to prohibit covert action. However, he has expressed strong support for the Agency's analytical effort. Among other things, subject legislation would:

--establish an "Office of the Director of Central Intelligence" as an independent establishment within the Executive Branch to be headed by a "Director of Central Intelligence" who would be separate and distinct from the "Director of the Central Intelligence Agency." (Section 111);

--limit the CIA to "the conduct of foreign counter-intelligence activities outside the [U.S.]."
(Paragraph 122(d)(1); see also subparagraph 122(d)(2)(c));

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- establish a new IC entity -- the Intelligence Research and Analysis Agency (IRAA) -- under the NSC and the Section 111 DCI; the IRAA "shall assume the functions previously exercised by the [CIA] with respect to the production, analysis and dissemination of foreign intelligence" (Section 131(a)); in addition to its functions to "correlate, evaluate and produce finished intelligence," the IRAA will have tasking authority (Section 132 (a) and (b));
- re-establish the NSA as an independent establishment within the Executive Branch, removed from DOD control (Section 141);
- abolish DIA (Section 151);
- prohibit all clandestine humint collection except in time of war (Subsection 161(e));
- prohibit all covert action except in time of war (Section 162);
- severely limit liaison with foreign intelligence and security services (Section 163);
- prohibit paid relationships by an intelligence agency with any individual following a religious vocation (paragraph 165(a)(1)), with any individual receiving funds through any U.S. program designed to promote education, the arts, humanities, or cultural affairs, and with journalists (including stringers; subparagraphs 16(a)(3)(A-D));
- require the Director of Central Intelligence to annually report to Congress and the President identifying all commercial organizations owned by any intelligence agency (Section 166);
- turn over responsibility for all intelligence background investigations to the Civil Service Commission -- now the Office of Personnel Management (OPM) (Subsection 171(e));
- notwithstanding the sensitivity of the information involved or the "third agency rule," grant to "any appropriate Committee of Congress" authority to acquire, upon request, any information held or obtainable by an intelligence agency (Section 172);

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--make public all budget figures (total and line item amounts) for all intelligence agencies and activities (Section 173);

--grant GAO unlimited authority to conduct "full and complete" financial and management audits -- to include confidential funds expenditures -- of any intelligence agency (Section 174);

--establish within the Department of Justice -- but not subject to AG direction -- a "Special Prosecutor for Intelligence Crimes" who will head an "Office of the Special Prosecutor for Intelligence Crimes" and will have authority to investigate and prosecute all offenses committed in connection with or arising out of any intelligence or counterintelligence activity (Section 321).

3. There is obviously much in H.R. 261 which is objectionable; accordingly, the most desirable course of action to take would be to advise Chairman Price of our unequivocal opposition to the bill, stating, at the same time, that the Intelligence Charter legislation process begun in the 95th Congress is still quite active and the issues raised in Mr. Dellums' bill -- and more -- are being considered currently in that context and are better left to that forum.

4. Barring objection by any of the Agency components contacted, this office will draft the DCI's letter to Mr. Price informing him of our opposition and of the current state of the Intelligence Charter process. This will serve to obviate the need for any line-by-line review by Agency components and hopefully will quash all chances of Mr. Dellums' bill ever being considered. Please inform [redacted] of my staff, of your concurrence in this approach by close of business, Friday, 2 March 1979. Telephone concurrence will suffice [redacted]. Should the bill begin to move -- which at this stage seems unlikely -- we will be contacting you for a complete analysis.

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Attachment

See Distribution on next page.